

*Exhibit*

*11*

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF ALBANY

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NEW YORK INSURANCE ASSOCIATION, INC.,  
AMERICAN TRANSIT INSURANCE COMPANY,  
EVEREADY INSURANCE COMPANY, GREATER NEW  
YORK MUTUAL INSURANCE COMPANY, KINGSTONE  
INSURANCE COMPANY, MERCHANTS INSURANCE  
GROUP and UTICA MUTUAL INSURANCE COMPANY,

**ANSWER TO AMENDED  
INTERVENOR COMPLAINT**

Index No. 264-10

Plaintiffs,

-against-

STATE OF NEW YORK, ANDREW M. CUOMO, Governor of  
the State of New York, JAMES J. WRynn, Superintendent of the New York State Insurance  
Department, and ROBERT L. MEGNA, as Director of  
Budget,

Albany County Clerk  
Document Number 10907276  
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Defendants.

THE NEW YORK HEALTH PLAN ASSOCIATION, INC.;  
AETNA HEALTH INC.; AETNA HEALTH INSURANCE COMPANY  
OF NEW YORK; CDPHP UNIVERSAL BENEFITS, INC.;  
CAPITAL DISTRICT PHYSICIANS' HEALTH PLAN, INC.;  
HEALTH NET OF NEW YORK, INC.; HEALTH NET  
INSURANCE OF NEW YORK, INC.; HEALTHNOW NEW YORK  
INC.; INDEPENDENT HEALTH ASSOCIATION, INC.;  
INDEPENDENT HEALTH BENEFITS CORPORATION; MVP  
HEALTH PLAN, INC.; MVP HEALTH INSURANCE COMPANY;  
MVP HEALTH SERVICES CORP.; PREFERRED ASSURANCE  
COMPANY; OXFORD HEALTH INSURANCE, INC.; OXFORD  
HEALTH PLANS (NY), INC.; UNITEDHEALTHCARE  
INSURANCE COMPANY OF NEW YORK; and UNITEDHEALTHCARE  
OF NEW YORK, INC.,

Intervenor-Plaintiffs,

-against-

STATE OF NEW YORK, ANDREW M. CUOMO, in his  
official capacity as Governor of the State of  
New York, JAMES J. WRynn, in his official  
capacity as Superintendent of the New York  
State Insurance Department, and ROBERT L.  
MEGNA, in his official capacity as Budget Director  
of the State of New York,

Defendants.

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Defendants, STATE OF NEW YORK; ANDREW M. CUOMO, Governor of the State of New York; JAMES J. WRVNN, Superintendent of the New York State Insurance Department; and ROBERT L. MEGNA, Director of the Budget, answering the amended intervenor complaint, by their attorney, Eric T. Schneiderman, Attorney General of the State of New York, hereby respectfully allege as follows:

1. The allegations contained in paragraphs "1", "7", "13", and "32" of the amended intervenor complaint consist of a statement of the nature of the action and legal conclusions and require no response. To the extent that a response is required, deny that defendants acted unlawfully in any manner.

2. Leave the legal conclusions contained in paragraphs "2", "3", "38", "39", "40", "41", "44", "65", "66", "67", "68", "70", "75", "79", "82", "85", "86", "92", "93", the unnumbered paragraph before paragraph "98", "98", "99", "103", "104", and "105" of the amended intervenor complaint to the court's determination and refer the court to the statutes and constitutional provisions referred to in said paragraphs for a more complete and accurate statement and as the best evidence of what is contained therein.

3. Deny the allegations contained in paragraphs "4", "5", "8", "33", "45", "50", "51", "52", "58", "62", "69", "71", "72", "73", "74", "76", "77", "78", "80", "81", "83", "84", "89",

"90", "91", "94", "95", "96", "97", "100", "101", "102", "106", "108", and "109" of the amended intervenor complaint.

4. With respect to paragraph "6" of the amended intervenor complaint, admit that the expenses of the Insurance Department contained in its enacted appropriations for fiscal year 2010-11 included the following direct and indirect costs: \$145,605,513 allocated for the actual costs of running the Insurance Department; sub-allocations, totaling \$109,118,042, to the Banking Department, Department of State, Division of Homeland Security and Emergency Services, Department of Health, Office of the Inspector General, Department of Law, and Division of Criminal Justice Services, which relate to the conduct of insurance business, the regulatory concerns of the Insurance Department, and the administration of the Insurance Department; and appropriations totaling \$201,240,000 for the Healthy New York Program, the Health Maintenance Organization Direct Pay Market Program, and the Pilot Program for Entertainment Industry Employees, three programs administered by the Insurance Department which provide New Yorkers with affordable insurance coverage, and otherwise deny the allegations contained in paragraph "6" of the amended intervenor complaint.

5. With respect to paragraphs "9", "10", "11", and "12" of the amended intervenor complaint, refer the court to plaintiffs'

complaint for a more complete and accurate statement and as the best evidence of what is contained therein.

6. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs "14", "15", "16", "17", "18", "19", "20", "21", "22", "23", "24", "25", "26", "27", "28", "29", "30", and "31" of the amended intervenor complaint.

7. Admit the allegations contained in paragraphs "34", "35", "47", "48", and "49" of the amended intervenor complaint.

8. Leave the legal conclusions contained in paragraphs "36", "37", and "87" of the amended intervenor complaint to the court's determination.

9. Leave the legal conclusions contained in paragraphs "42" and "43" of the amended intervenor complaint to the court's determination and refer the court to the statute and Governor's Bill Jacket referred to in said paragraphs for a more complete and accurate statement and as the best evidence of what is contained therein.

10. Deny the allegations contained in paragraphs "46", "88", and "107" of the amended intervenor complaint and refer the court to the statutes referred to in said paragraphs for a more complete and accurate statement and as the best evidence of what is contained therein.

11. With respect to paragraphs "53", "54", "55", "56", and "57" of the amended intervenor complaint, admit that the expenses of the Insurance Department contained in its enacted appropriations for fiscal year 2003-04 included the following direct and indirect costs: \$98,009,000 allocated for the actual costs of running the Insurance Department and sub-allocations, totaling \$49,389,000, to the Banking Department, Department of State, Department of Health, Office of the Inspector General, and Department of Law, which relate to the conduct of insurance business, the regulatory concerns of the Insurance Department, and the administration of the Insurance Department, and that the expenses of the Insurance Department contained in its enacted appropriations for fiscal year 2010-11 included the following direct and indirect costs: \$145,605,513 allocated for the actual costs of running the Insurance Department; sub-allocations, totaling \$109,118,042, to the Banking Department, Department of State, Division of Homeland Security and Emergency Services, Department of Health, Office of the Inspector General, Department of Law, and Division of Criminal Justice Services, which relate to the conduct of insurance business, the regulatory concerns of the Insurance Department, and the administration of the Insurance Department; and appropriations totaling \$201,240,000 for the Healthy New York Program, the Health Maintenance Organization Direct Pay Market Program, and

the Pilot Program for Entertainment Industry Employees, three programs administered by the Insurance Department which provide New Yorkers with affordable insurance coverage, and otherwise deny the allegations contained in paragraphs "53", "54", "55", "56", and "57" of the amended intervenor complaint.

12. Deny the allegations contained in paragraphs "59" and "60" of the amended intervenor complaint and refer the court to Senate-Assembly Bill S. 249/A. 162 (January 7, 2009) Part D for a more complete and accurate statement and as the best evidence of what is contained therein.

13. With respect to paragraph "61" of the amended intervenor complaint, refer the court to Senate-Assembly Bill S. 249/A. 162 (January 7, 2009) Part D for a more complete and accurate statement and as the best evidence of what is contained therein.

14. With respect to paragraph "63" of the amended intervenor complaint, admit that Part D of Senate-Assembly Bill S. 249/A. 162 (January 7, 2009) was not enacted, refer the court to Insurance Law §332 for a more complete and accurate statement and as the best evidence of what is contained therein, and otherwise deny the allegations contained in paragraph "63" of the amended intervenor complaint.

15. With respect to paragraph "64" of the amended intervenor complaint, admit that the Governor's proposed budget

for fiscal year 2010-11 did not include a proposal to amend Insurance Law §332, refer the court to the Governor's proposed budget for fiscal year 2010-11 for a more complete and accurate statement and as the best evidence of what is contained therein, and otherwise deny the allegations contained in paragraph "64" of the amended intervenor complaint.

16. Deny each and every allegation of the amended intervenor complaint not specifically responded to above.

**FIRST AFFIRMATIVE DEFENSE**

17. The amended intervenor complaint fails to state a cause of action against the defendants.

**SECOND AFFIRMATIVE DEFENSE**

18. This action is barred by the applicable statute of limitations.

**THIRD AFFIRMATIVE DEFENSE**

19. The court lacks jurisdiction over the subject matter of this action.

**FOURTH AFFIRMATIVE DEFENSE**

20. This action is barred by the doctrine of collateral estoppel.

**FIFTH AFFIRMATIVE DEFENSE**

21. This action is barred by the doctrine of *res judicata*.



SIXTH AFFIRMATIVE DEFENSE

22. Plaintiff-intervenors lack standing to bring this action.

SEVENTH AFFIRMATIVE DEFENSE

23. Plaintiff-intervenors have failed to join a necessary party.

EIGHTH AFFIRMATIVE DEFENSE

24. This action is barred by the doctrines of laches and estoppel.

WHEREFORE, defendants request that the amended intervenor complaint be dismissed.

Dated: Albany, New York  
June 20, 2011.

Yours, etc.,

ERIC T. SCHNEIDERMAN  
Attorney General of the  
State of New York  
Attorney for Defendants

By:



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RICHARD LOMBARDO  
Assistant Attorney General  
The Capitol  
Albany, New York 12224  
(518) 474-9980

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Albany, New York 12207

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54 State Street, 6<sup>th</sup> Floor  
Albany, New York 12207

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AFFIDAVIT OF SERVICE

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STATE OF NEW YORK )

COUNTY OF ALBANY )

CRISTAL GAZELONE, being duly sworn, deposes and says:

I am over eighteen years of age and an employee in the office of Eric T. Schneiderman, Attorney General of the State of New York, attorney for defendants.

On June 20, 2011, I served defendants' answer to the amended intervenor complaint upon the following law firms, by depositing a true copy thereof, properly enclosed in a sealed, postpaid wrapper, in a U.S. Mail box in the City of Albany, a depository under the exclusive care and custody of the United States Postal Service, directed to the said law firm at the address theretofore designated for that purpose, as follows:

O'Connell and Aronowitz, P.C.  
54 State Street  
Albany, New York 12207

Greenburg Traurig, LLP  
54 State Street, 6<sup>th</sup> Floor  
Albany, New York 12207

  
CRISTAL GAZELONE

Sworn to before me this  
20<sup>th</sup> day of June, 2011

  
ASSISTANT ATTORNEY GENERAL

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